

Storm Warnings Raised over Readiness Concerns

By Capt. Gordon I Peterson, USN (Ret.)

This June's two-year anniversary of the Coast Guard's award of contract for the Integrated Deepwater System reflects steady progress in efforts to modernize the nation's maritime guardians, but heightened concerns over falling readiness have led some congressional lawmakers to renew calls to accelerate the comprehensive 20-plus-year recapitalization program.

Coast Guard Commandant Adm. Thomas H. Collins described his concern over current readiness trends in early March during congressional testimony on the Bush administration's proposed fiscal year 2005 budget.

"Our greatest threat to mission performance continues to be that our aircraft, boats and cutters are aging, technologically obsolete, and require replacement and modernization," Collins told the House Coast Guard and Maritime Transportation Subcommittee on March 4. Two weeks later, during his "State of the Coast Guard" address at the National Press Club in Washington, D.C., Collins elaborated. "There are storm warnings along our projected track line," he told a capacity audience. "There are clear warning signals that our ability to sustain our readiness into the future is increasingly at risk. We are experiencing system failures at a steadily increasing rate."

Declining Readiness, Increasing Costs

Vice Adm. Thomas J. Barrett, vice commandant of the Coast Guard, echoed the commandant's concerns during his own testimony on the Deepwater Program before the same House subcommittee April 26. Noting that most Coast Guard cutters and aircraft will reach the end of their projected service lives by 2010, Barrett revealed that the service's annual safety review for fiscal year 2003 reflected a mishap rate for reported apparent in-flight engine power losses of 62.74 per 100,000 flight hours. "This rate is unacceptable," Barrett said, "and far exceeds the FAA [Federal Aviation Administration] guidelines of no more than 1 mishap per 100,000 hours or the U.S. Navy Safety Center guidelines of no more than 10 mishaps per 100,000 hours."

Barrett emphasized that the Deepwater Program was urgently needed to recapitalize the Coast Guard. "I cannot overstate the importance of the Deepwater acquisition on the current and future capability of your Coast Guard and its ability to meet national priorities," he said. "The Deepwater Program represents a direct investment in the maritime safety and security of the nation. However, declining fleet readiness and increasing costs of maintaining aging assets are jeopardizing our ability to adequately address maritime security threats."

Of note, Barrett said that the Coast Guard experienced 676 unscheduled maintenance days for its cutters during the past year—a 41 percent increase over 2002 and the equivalent of losing more than three and one-half cutters to service. “We have legacy cutters that are free of major equipment casualties less than 50 percent of the time,” he stated. “Maintenance costs are escalating far beyond budgeted support levels and, given the exponential growth, choices become more and more difficult each year.”

Saying that Coast Guard crews took great pride in stretching the functional life of ships and aircraft, Barrett questioned how much longer they would be able to do so. “We have been able to maintain minimum levels of readiness largely through the Herculean efforts, courage, and innovation of your Coast Guard personnel, however, only so much is possible with assets that are largely obsolete and whose machinery continues to fail,” he said.

Restacked Priorities

Early in 2004 the Coast Guard took steps to reprioritize the Deepwater Program’s modernization planning—what Collins described as a “restacking of priorities”—to address its growing concern with deteriorating readiness and system failures on legacy air and surface platforms. Integrated Coast Guard Systems (ICGS), the joint venture between Northrop Grumman and Lockheed Martin serving as Deepwater’s systems integrator, was directed to take immediate action to re-engine the Coast Guard’s HH-65 “Dolphin” helicopter fleet. The re-engining project will gain momentum during the months ahead following installation of the first upgraded, more powerful replacement engine and improved fuel-control system on an HH-65 helicopter in May.

In response to continued deterioration in the hull condition of its fleet of 110-foot Island-class patrol boats (WPBs), the Coast Guard’s senior leadership also ordered the acceleration of the design and development of Deepwater’s Fast Response Cutter—the intended replacement for 110-foot boats—as well as moving forward on the design of the Offshore Patrol Cutter, the platform slated to replace the Coast Guard’s medium endurance cutter fleet. A business-case analysis is being conducted to determine the appropriate number of 110-foot to 123-foot Deepwater conversions to complete prior to the transition to the FRC; a decision is expected later this year. Eight 110s are now under contract for conversion by Bollinger Shipyards into the upgraded 123-foot design; the first boat to be converted, the MATAGORDA, was delivered to the Coast Guard in March.

Deepwater’s modernization upgrades for C4ISR (command, control, communications, computers, intelligence, surveillance, and reconnaissance) systems on legacy assets and at shore installations also have been adjusted to be responsive to emergent requirements. In response to a request from the Pacific Area Commander in March, for example, the Coast Guard accelerated Deepwater’s planned C4ISR upgrades on the Cutters MUNRO and RUSH to support upcoming out-of-hemisphere deployments.

The upgrades provided each cutter with access to the Department of Defense's Secure Internet Protocol Routing Network (SIPRNET) and a classified local area network. Concurrent with these command-and-control upgrades, Deepwater's C4ISR upgrade at the Communications Area Master Station Pacific (CAMSPAC) facility at Point Reyes, Calif., was completed. The first shore-based communications upgrade under the Integrated Deepwater System was completed in September 2003 at Communications Area Master Station Atlantic (CAMSLANT).

"Looking ahead," Barrett told the Subcommittee, "it is clear that attaining additional capacity and capability is critical to the Coast Guard's ability to achieve the levels of future readiness needed to perform its expanded homeland-security tasks while concurrently carrying out its other responsibilities."

RAND: "An Open Question"

The RAND Corporation reinforced this view with its recent release of the findings of its independent, third-party evaluation of the Deepwater Program. In November 2002, the Coast Guard's Deepwater Program Office commissioned RAND to evaluate whether the Deepwater Program remains valid for the Coast Guard's new, traditional, and emerging responsibilities and missions as a result of the terrorist attacks of 9/11. Faced with a legislative requirement to report to Congress on the feasibility of accelerating the Deepwater program, RAND also was asked by the Deepwater Program Office to complete its own evaluation of the feasibility of doing so.

Noting that the current Deepwater acquisition buildout was planned before the 9/11 terrorist attacks, RAND documented how the Coast Guard has taken on expanded roles in homeland defense and homeland security in the new Department of Homeland Security. "Whether the original 20-year Deepwater acquisition schedule is appropriate for these new conditions is an open question," RAND concluded.

The RAND study [available at: www.rand.org/news/press.04/04.26.html], delivered in April, recommended that the Coast Guard pursue a two-pronged strategy to accelerate and expand Deepwater's current plan to acquire new assets—with twice as many cutters and 50 percent more air vehicles—and, at the same time, to identify and explore new platform options, emerging technologies, and operational concepts that could leverage those assets. The Coast Guard will use the results of the RAND study as an additional data point in its ongoing assessment of the need to revise Deepwater's requirements for recapitalizing the Coast Guard in light of the post-9/11 operating environment.

This assessment will be completed this summer and reviewed by the Department of Homeland Security's Joint Requirements Council. Program officials emphasize that Deepwater's acquisition strategy and current Deepwater Implementation Plan solution remain sound for the new and evolving responsibilities and missions that the Coast Guard has been asked to undertake.

The Deepwater system-of-system acquisition [*Ed. Note: see “Special Report: Deepwater,” Maritime Reporter, July 2003*] retains the flexibility to enable it to be adapted to changing circumstances and emerging requirements, they say.

“There have been some people who have looked at the status of the Deepwater program at the present budget time and wondered why the 20-year marathon, as initially defined at contract award, has changed somewhat,” said Rear Adm. Patrick M. Stillman, Deepwater’s program executive officer, at the Navy League’s Sea-Air-Space Exposition in Washington, D.C., in April. “The answer to that question is that change is fundamental our planetary existence, and it is *absolutely* fundamental to the agility and flexibility of this contracting strategy that will bring this enterprise to fruition

Lawmakers Urge Acceleration

Homeland-security minded lawmakers in both the U.S. House of Representatives and the U.S. Senate have sponsored efforts to increase Deepwater’s funding level to enable it to be completed in 10 to 15 years. Last November, 14 senators signed a joint letter to the director of the Office of Management and Budget urging the Bush administration to include \$1.892 billion in fiscal year 2005 funding to accelerate the Deepwater Program as a “prudent way” to improve U.S. homeland security.

Of the \$6.8 billion in fiscal year 2004 funding appropriated for the Coast Guard, \$668.2 million is allocated to Deepwater. The administration’s budget proposal for fiscal year 2005 identifies \$678 million in funding for the Deepwater modernization and recapitalization program.

Citing the important need to provide adequate funding to enable the Coast Guard to continue to fulfill its many missions, the House of Representatives Transportation and Infrastructure Committee voted unanimously in April to approve bipartisan legislation authorizing approximately \$8 billion for the Coast Guard in fiscal year 2005, including \$1.1 billion for Deepwater.

“This bill will provide the Coast Guard the resources that it needs to perform the many important homeland security and traditional missions that we expect the Coast Guard to carry out every day,” said Rep. Frank LoBiondo (R-NJ), chairman of the Coast Guard and Maritime Transportation Subcommittee.

“The bill allocates \$1.1 billion for the Deepwater Program, putting us on track to accelerate the program’s completion date to 2016—five years earlier than originally planned. Acceleration is critically needed as the Coast Guard’s aging fleet of vessels and aircraft are deteriorating at an alarming rate.”

Earlier this year, the Senate amended its fiscal year 2004 authorization legislation for the Coast Guard to include a fiscal year 2005 authorization. House Transportation and Infrastructure Committee members said they will work to include the House authorization spending level in the final Coast Guard package that is forged during a Senate-House authorization conference this year.

Rep. Don Young (R-Alaska), the House Transportation Committee chairman, said, “It is important that we continue to support the work of the Coast Guard and to provide adequate funding to insure that the Coast Guard can continue to fulfill the many missions we have given them.”

Following his Subcommittee’s Deepwater hearing in April, Rep. LoBiondo reiterated his call to accelerate the Deepwater Program. “The duration and magnitude of the Deepwater program require continued oversight and adjustment of the acquisition plan to meet the ever-changing conditions that the Coast Guard faces in its operational environment,” he said.

“The Subcommittee understands the importance of this ongoing review; however, we are concerned with impacts on costs, complexity and procurement delays that may result as the program is ‘re-baselined’. These adjustments to planned assets have combined with multiple years of underfunding to result in the situation that we find ourselves in today. The Coast Guard has estimated that the Deepwater program is now running at two to seven years behind the original 20-year schedule. This is simply unacceptable. We should be accelerating not decelerating,” LoBiondo said.

Capt. Gordon I. Peterson, U.S. Navy (Ret.) is a technical director with Anteon Corporation’s Center for Security Strategies and Operations.